

Message Text

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PAGE 01 STATE 021700

62

ORIGIN EA-13

INFO OCT-01 ISO-00 EB-05 SS-14 SPC-01 SAM-01 L-02 INR-10

PRS-01 EUR-10 RSC-01 (ISO) R

DRAFTED BY EA/IMS:ADORNHEIM:CCH

APPROVED BY EA/IMS:TJCHEAVNER

EB/IFD/ODF - MR. MCGONAGLE

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R 011957Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

C O N F I D E N T I A L STATE 021700

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LIMDIS

E.O. 11652: GDS

TAGS: EAID, ID

SUBJECT: PERTAMINA BORROWING

REF: JAKARTA 0649

1. 53 MILLION DOLS REFINERY LOAN IS DISTINCT FROM 86 MILLION DOLS "BRIDGING LOAN", ACCORDING TO FNCB SOURCE. LATTER LOAN HAS ALREADY BEEN EXHAUSTED.

2. RECAPITULATING, FNCB HAS SYNDICATED FOUR LOANS TO PERTAMINA TALLING 307 MILLION DOLS, VIZ., SEVEN-YEAR 114 MILLION DOLS LOAN, 86 MILLION DOLS "BRIDGING LOAN", 54 MILLION DOLS REFINERY LOAN GUARANTEED BY EXIMBANK, AND ABOVEMENTIONED 53 MILLION DOLS LOAN.

3. FNCB SOURCE STATES AMERICAN EXPRESS IS CURRENTLY TRYING TO PUT TOGETHER A EURODOLLAR LOAN FOR PERTAMINA.

4. WHEN ASKED IF HE THOUGHT PERTAMINA COULD NOW FINANCE ITS SHORT-TERM WORKING CAPITAL NEEDS FROM ITS OWN FOREIGN
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PAGE 02 STATE 021700

CURRENCY RESOURCES, FNCB SOURCE SAID HE BELIEVED

PERTAMINA WOULD CONTINUE TO BE A HEAVY SHORT-TERM
BORROWER. HE EXPLAINED THAT IMF LIMITATIONS ON
PERTAMINA BORROWING WITHIN 1-15 YEAR MATURITY RANGE, PLUS
PERTAMINA'S LARGE REQUIREMENTS FOR 7-10 YEAR MONEY, WOULD
FORCE PERTAMINA FOR SOME TIME TO BORROW ON SHORT TERM

OUTSIDE IMF LIMIT ON 1-15 YEAR LOANS AND THEN ROLL OVER
THESE SHORT-TERM DEBTS UNTIL THEIR ACTUAL MATURITY IN
ECONOMIC TERMS HAD BEEN REACHED. KISSINGER

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Message Attributes

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